

Louisiana Notary Public Examination

Scenario Examination

Time Limit—3.5 hours

Name: _____
(Please Print)

PART III – Written Responses

For purposes of this part, assume you are **Lee Lindsey**, a duly qualified non-attorney notary public commissioned in Calcasieu Parish, Louisiana. Your commission date is November 1, 2006, and your notary identification number is **987654**.

For all acts requiring notaries, Nancy Leduff and James Hall are both competent and over the age of 16, and are available to serve as witnesses. To the extent another notary public may be needed, Homer J. French, notary identification number 961158, commissioned in and qualified for the Parish of Calcasieu, whose office is across the hall from yours, is available. Unless indicated otherwise, use today's date as the date of all the acts you prepare.

Using the blank paper and forms provided, *(beginning each new document on a separate page, and writing only on one side of a page)* prepare or complete the instruments necessary to put into effect the transactions desired by your constituents. You must decide which documents you will have to prepare. If it is not necessary to prepare a particular document suggested in this scenario, do not prepare it, but explain why it is not necessary. If you cannot prepare a particular document that would give legal effect to the parties' wishes, do not do so, and state why.

Follow the parties' wishes in regards to the documents you draft. Do not include anything in a document that is not absolutely needed to reduce their directions to writing. You should assume that the acts would be prepared sequentially in the order they are called for in the scenario. You do not have to prepare them sequentially, but you should avoid assuming facts developed later in the scenario when writing documents called for earlier in the scenario.

All documents, where possible, should be prepared and executed in authentic form. If authentic form is not possible or not authorized, you may use any form of acknowledgment authorized by law. For all documents you prepare or complete, prepare or complete them indicating all signature lines for parties, witnesses, and notary.

You should have all information needed to prepare the acts. In the event that you feel some information is missing that you must assume to accurately complete the documents requested, please state clearly in your answer what additional information you assumed and included.

Important notice: When writing this portion, take care that your writing is legible, including being sufficiently bold for easy visibility. Illegible submissions will be treated as if not written.

Identifying your submission: Write your initials followed by the last four digits of your social security number at the top of each page.

Submission instructions: When you finish your work, arrange your documents (with all necessary attachments in proper order) in the order they occur in the scenarios. Then, sequentially number all pages of your submission in the top right hand corner of each page.

Scenario 1:

Elizabeth Ann (Beth) Jones' husband Marcus Harold (Mark) Jones died on October 12, 2006, leaving Beth a large estate. A judgment of possession has been entered by a competent court, so Beth now owns everything left to her. In addition to their residence (1722 Montclair Rd, Lake Charles, Louisiana 70622), he left her over \$17 million in cash and securities. Mark never had any children, nor adopted anyone, but Beth has children from a prior marriage: two daughters and one son. Beth's children, a son, Damien Regan, and daughters, Marcie Sue and Gina Lou, were triplets, born July 4 1986. Beth (SS# 826-59-0003) was never married to her children's father; good thing, too, because he was a real louse who left her and married into the royal family in Pago-Pago as soon as he heard she was going to have triplets. All's well that ends well, however; Beth's father, Henry George Dewitt was a well-to-do diamond broker, and he made sure that Beth and the triplets wanted for nothing; he supported them financially until Beth married Mark on August 21, 2000. The children had been given the Dewitt family name at birth, and they kept that name even after Beth married Mark.

Beth's departed husband's brother Joseph Ryan (Joe) Jones is the president and sole shareholder of the *Big J. R. Corporation* (TIN 22-987654) that has its corporate offices at 8181 Coldacres Parkway, Lake Charles (Calcasieu parish) from which location it operates a big-box sporting-goods store. Joe's son Axelrod (Axel) is 16 years old, has worked in his father's business during the past three years, and has developed quite a flair for marketing. He's a prodigy; he graduated from high school at age 13. No matter—he has no interest in attending college. Instead, he's ready to go into business and has his eye on a small chain of fireworks stands located along I-10 between Lake Charles and San Antonio. His father knows Axel is already wise beyond his years in the ways of the business world, and is ready to invest in his son's business venture.

Just before Mark died, he had agreed to help fund Joe's investment in Axelrod's business by lending Joe's corporation \$150,000. The arrangement was that the loan would be made to the Big J. R. Corporation, which would grant a mortgage on two tracts of land it owns and leases for hunting. As a term and condition of the mortgage, Beth agrees that when the debt is reduced to \$75,000 or less, either tract may be released from the mortgage. Mark and Joe had agreed that the corporation's note would be bearer paper, and that Joe would personally endorse the note. The debt was to be repaid in semi-annual installments of \$18,493.64 each for five years, with annual interest of 8%, with the first installment coming due February 1, 2007 and every six months thereafter on every August 1 and February 1.

Mark died before he and Joe could get the paperwork done, but on his deathbed, Mark had asked Beth to please make sure that she made the loan to

Joe's corporation as agreed, in time for the upcoming holiday sales season. Beth and Joe sit before you now asking you to draw up the paperwork necessary to the transaction. They will wait and sign while in your office. Joe hands you a corporate resolution authorizing the mortgage of the property.

Joe goes on to explain to you that before he turns Axel loose on the world, he wants to eliminate or minimize liability for any of Axel's fireworks business dealings. He asks you if there is some document that can be drawn up that will help insulate him from liability for Axel's actions and at the same time enable Axel to handle his own affairs (Axel needs to be able to negotiate leases for fireworks stand locations and sign merchandise purchase contracts). If there is such a document, Joe wants you to prepare it today so he can sign it while he is there.

Beth then tells you that she's been thinking about her situation now that Mark is gone, and she wants to make sure that when she dies, her son Damien Regan inherits nothing. She tells you that he is b-b-b-b-bad to the bone, that he was arrested for committing arson-for-hire as a way to support his drug habit, and that he escaped and fled to Tierra del Fuego prior to being convicted. She states that she hears about him in the news, but that he hasn't communicated with her since he fled over two years ago.

Beth wants her daughters alone to inherit her entire estate. As far as her residence on Montclair Rd, and the house left to her by her father when he died (Lot 63 Excellent Place, Calcasieu Parish), she wants the girls to be able to have full, immediate, and unencumbered joint ownership of these two properties. She instructs that any mortgages that may exist on the two residences at the time of her death are to be paid off immediately. She says she wants the remaining cash, stocks, bonds, and other investments to be held for her daughters in trust — managed jointly by her brother-in-law Joe, and Lloyd Scrooge, who was Mark's investment advisor, as trustees — for twenty years. She wants the trust to pay out monthly to Gina and Marcie, in equal shares, the entirety of the proceeds of the trust's net monthly income after paying a management fee to Joe and Mark of 1% of the gross monthly income. Beth tells you that at the termination of the trust, the principal is to be distributed to Marcie and Gina in equal shares. Beth asks that you be the executor of her estate, but that if you are unwilling or unable to serve at the time of her death that Joe is to be the executor. She tells you that if it is not permitted for you to serve as her executor, that Joe be designated directly as executor. In either case, she doesn't want the executor to have to post bond.

You've finished up with Beth and Joe when Anthony Reynolds comes into your office. Anthony is your best friend since childhood and you know him as well as you know your mother. He comes to your office to ask your help. His uncle Earl Kincaid Short has just passed away after a lengthy illness. He left no will. He left two accounts at BigMoney National Bank of Breaux Bridge: a

savings account containing \$4,600, and a checking account containing \$2,899. Additionally, he owned three BigMoney CDs each valued as of the date of his death at \$12,000.00. The value of Uncle Earl's clothing and household furnishings couldn't be worth any more than \$2,500.00. His burial expenses totaled \$3,500, and he had credit card balances totaling \$9,000. Anthony, who was Earl's only living relative, has heard that a notary can take care of the succession paperwork he needs to file to obtain possession of his uncle's estate. He wants you to prepare what he needs so he can sign it while he is there and take it and file it. If a notary can draw up such a paper, do so.

Anthony then shows you the lease he signed recently on a storefront in a strip mall, and his landlord wants it to be self-proving as to Anthony's signature. If there is something you can prepare that will solve Anthony's problem, do so.

Scenario 2:

It is now April 1, 2007. Beth returns to your office and tells you that Joe discovered that there had been a clerical error in connection with the property description made by the closing notary on the paperwork when he purchased the property on which Beth now holds a mortgage. She tells you Joe is having the problem taken care of as to his purchase, and he told Beth she needed to come see you to correct the error on the paperwork you did for her last December. Beth hands you a map that designates the actual tracts owned by the corporation and asks you to please do whatever is necessary to take care of setting the record straight as to the property on which she holds a mortgage. If there is a instrument that you can prepare to correct the record, prepare it for execution by all the necessary persons.

Beth starts to leave, and turns and exclaims, "I almost forgot.... I hired your friend Anthony Reynolds to repair some damage to my house caused when my maid ran into a supporting column with her car. He did a great job, and the insurance company gave me an affidavit that he has to sign before the insurance company will release the money. I have it here with me. Anthony signed it, and said to bring it to you to notarize. He said you'll recognize his signature, and if it matters, to be sure you know that I did witness him sign it — which I did. You look at the signature. You recognize it as Anthony's signature. If there is a proper way for you to complete this affidavit, do so.